Trends ….. August 2016

In a relief to the domestic steel industry, the Indian government extended the MIP condition on steel imports till 4th October 2016 and in further separate developments, also imposed anti-dumping duties on HR and CR flat products. Taken together, all these are expected to have a defined impact on imports.

WORLD ECONOMY AT A GLANCE

- At 50.8 in August 2016, the J.P.Morgan Global Manufacturing PMI was down from the 51.0 level reached in July 2016 mainly due to stagnatiing conditions in the Asian region. The overall numbers continued to be driven by North America and Europe which reported expansion as per latest Markit Economics reports.
- Among the Asian manufacturing sectors covered by the Markit survey, Japan, South Korea, Malaysia, Thailand and Myanmar all saw contractions and though China stagnated, expansions were seen in Taiwan, India, Indonesia, Vietnam and the Philippines. Further growth was seen in the US, Mexico and Canada. The pace of increase slowed in the Euro area, reflecting weaker growth in Germany and Austria and contractions in France and Italy. The UK, meanwhile, rebounded strongly from July's contraction. The downturn in Brazil continued, whereas Russia expanded.
- Growth of new work received in August 2016 was slower than that in July 2016, despite a slight acceleration in the rate of increase in new export business to a nine-month high as per the Markit report which also indicated a marginal reduction in global manufacturing employment and rise in input prices during August 2016.

Key Economic Figures			
Country	GDP Q1 2016: % yoy change*	Manufacturing PMI	
		July 2016	August 2016
India ^	7.9	51.8	52.6
China	6.7	50.6	50.0
Japan	0.5	49.3	49.5
USA	0.5	52.9	52.0
EU 28	0.6	52.0	51.7
Brazil	0.3	46.0	45.7
Russia	1.6	49.5	50.8
South Korea	0.5	50.1	48.6
Source: GDP-official estimates; PMI- Markit Economics, *provisional; ^based on new series data			

GLOBAL CRUDE STEEL PRODUCTION

World Steel Association data shows that world crude steel production for August 2016 was 134.12 million tonnes (mt), up by 1.9 per cent over August 2015 and 1065.14 mt during January–August 2016, down by 0.9 per cent year-on-year (yoy).

World Crude Steel Production: January-August 2016*			
Rank	**Country**	**Qty (mt)**	**% change**
1	China	536.32	-0.1
2	Japan	69.94	-0.4
3	India	63.21	5.6
4	United States	53.45	-0.9
5	Russia	47.03	-1.5
6	South Korea	45.24	-2.1
7	Germany	28.76	-1.5
8	Turkey	22	4.7
9	Brazil	20.34	-10.6
10	Ukraine	16.33	8.6
	Top 10	**902.62**	**-0.03**
	World	**1065.14**	**-0.9**
Source: worldsteel, JPC; over last year;* provisional			

- China produced 68.57 mt of crude steel in August 2016, up by 3 per cent over August 2015 and 536.32 mt during January–August 2016, down by 0.1 per cent yoy and remained the largest crude steel producer in the world, fuelling world production, which, excluding China, was down by 2 per cent.
- China accounted for 73 per cent of Asian and 50 per cent of world crude steel production during this period.
- August 2016 Japanese crude steel production (8.92 mt) was a yoy growth of 1.5 per cent but production was down by 0.4 per cent in January–August 2016 (69.94 mt). The country remained the second largest crude steel producer in the world in 2016 so far.
- With a 6 per cent share in total world production and a 5.6 per cent rise in production over same period of last year, India remained the third largest crude steel producer in the world in January–August 2016.
- Crude steel production in the EU (28) countries during August 2016 was at 11.97 mt, down by 1.4 per cent yoy and at 107.93 mt in January–August 2016, it was down by 5.2 per cent yoy.
- At 93.95 mt, Asian crude steel production was up by 3.4 per cent yoy in August 2016 and was up by 0.2 per cent yoy during January–August 2016 (734.11 mt). Asia accounted for 69 per cent of world crude steel production during this period.

THE STEEL WORLD LAST MONTH

THE AMERICAS

- Steel Dynamics Inc completed its acquisition of Vulcan Threaded Products, based outside Birmingham, Alabama, for $114 million.
- The US International Trade Commission has formalized ADD on imports of heavy-walled rectangular welded steel pipes and tubes from South Korea (2.34-3.82%), Mexico (3.83-5.21%) and Turkey (17.83-35.66%), as well as CVD of 15.08-23.37% to some Turkish producers.
- The US government has released the interim rules for how US Customs and Border Protection will investigate claims of imports that evade AD and CVD orders.
- The US Department of Commerce has postponed for nine months its preliminary ADD determinations for the 12 countries involved in the unfair trade case against CTL plate imports, following a request by the domestic petitioners. In another case, it has imposed final ADD on HRC steel imports from South Korea (3.89-9.49%), Brazil (7.42-34.28%), Turkey (3.66-7.15%), Japan (4.99-7.51%), Australia (29.37%), UK (33.06%) and Netherlands (3.73%), as well as higher subsidy rates on most producers from Brazil, South Korea and Turkey.
- The Canadian International Trade Tribunal has extended ADD on HRC imports from Brazil, China and Ukraine and CVD on subsidized imports from India. However, it found no injury in the dumping cases covering HRC imports from Taiwan and India. 77% dumping margins will stay in place on HRC imports from the three countries as well as a Rs 3,500/t ($52/mt) CVD on HRC imports from India.
- The Canada Border Services Agency has initiated an investigation of alleged rebar dumping from Belarus, Taiwan, Hong Kong, Japan, Portugal and Spain.
- The Mexican Ministry of Economy set provisional duties of 56.3 cents/kg for Taiwan and 19.2-43.8 cents/kg for China, on imports of coated steel sheets from these countries.

ASIA

- Xinjiang province will cut 0.9 mt of crude steel capacity this year, Guangdong province and Jiangxi province will cut 3.5 mt and 4.33 mt of crude steel capacity respectively during the 2016-2020 period while Fujian province has set a crude steel capacity elimination target of 4.45 mtpa for 2016-2020. Inner Mongolia plans to cut 3.1 mt of iron and steel capacity by 2020, of which 0.67 mt will be crude steel.
- Steel mills within 300 km of the eastern Chinese city of Hangzhou, the venue for the G20 summit scheduled on 4th-5th September 2016, are preparing to reduce or suspend production.
- China's largest privately-owned steel company, Jiangsu Shagang, is to install a direct strip casting plant capable of producing strip of 0.7-1.9mm thick and up to 1,590mm wide. The unit is likely to be the first of its kind in Asia.
- In August 2016, at the end of the expiry of its six-month tenure, the minimum import price (MIP) condition on steel import has been extended by India for another two months to 4th October 2016. At the same time, the number of products that will now come under MIP has been trimmed to 66.

- Debt-ridden Indian company, Uttam Group has struck a deal with China's Tidfore Heavy Equipment Group Co. for up to $150 million equity.
- Based on preliminary findings, India has imposed provisional ADD on imports of HRC/Sheets and Plates of alloy and non alloy steel originating in or exported from China PR, Japan, Russia, Korea RP, Brazil and Indonesia. It has also imposed provisional ADD on CR flat product imports from China, Japan, South Korea and Ukraine for a period of six months, effective from 17th August 2016.
- South Korea's Dongkuk Steel Mill will begin commercial production this month on a new, 0.1 mtpa continuous color-coating line at its Busan works.
- Taiwan is slapping provisional ADD of up to 70% on imports of HDG coil/sheet from China and South Korea and up to 80% on carbon steel heavy plate from Brazil, China, India, Indonesia, South Korea and Ukraine.
- Indonesia's PT Krakatau Steel is adding a 2nd HSM that will bring the company closer to its target of being a 10 mtpa steelmaker by 2025.
- Strong domestic demand has encouraged the partners in Vietnam Steel Pipe to consider tripling present capacity to over 1 mtpa.

RUSSIA, MID-EAST, AFRICA, AUSTRALIA

- NLMK has launched a new plant that generates hydrogen from natural gas at its electrical steel works VIZ-Stal in Yekaterinburg. This will reduce VIZ-Stal's annual power consumption for hydrogen generation by 75 million kWh (or roughly 96%) to 3 million kWh.
- Metalloinvest has begun to upgrade the SBQ mill at rolling shop No.2 at its engineering bar producing Oskol Steel Plant (OEMK). The mill will see its first output in Q2 2017.
- Egypt's El Marakby Steel has started production at its new 0.35 mtpa EAF, an investment launched in 2012 and then postponed for several years.
- Iran has announced that three new pelletizing plants with total capacity of 10 mtpa will be added to the country's capacity by March 2017.
- „ArcelorMittal South Africa (AMSA) has been ordered to pay a fine of Rand 1.5 billion ($110 million) for "fixing prices, allocating customers and sharing commercially sensitive information".

EU AND OTHER EUROPE

- The European Commission has made imports of heavy plate from China subject to "registration" – meaning any duties imposed as a result of the current AD investigation could be imposed retroactively. It has also re-opened its AD investigation into imports of stainless steel cold rolled flat products from Taiwan.
- The EU's anti-trust authorities have approved the creation of the joint venture Gerdau-Summit Aços Fundidos e Forjados by Gerdau of Brazil and Sumitomo Corporation of Japan.
- ArcelorMittal has agreed to sell its EAF-based rebar and merchant bar mill located in Zaragoza, Spain, to Megasa for an undisclosed amount. With this acquisition, Megasa will almost double its curent 0.5 mtpa crude steel capacity in Spain.
- Turkey has launched an AD probe into cast iron pipe imports from the UAE and India, reviewing imports that took place in the first five months of 2016.

[Source Credit: Metal Bulletin, Platts, leading news papers (India news)]

WORLD STEEL PRICE TRENDS

There was no breakthrough in steel prices around the world in August 2016. While the scheduling of the G20 summit in early September in China had some (albeit limited) impact on Chinese steel prices, for the rest, it was either a seasonal impact or slow demand that affected prices to varying extent. Also, in recent times, there has been quite a few capacity cut announcements by China but these inevitably will take some time to get implemented (as evident from their schedules also). As such, any noticeable impact on global steel prices via capacity curtailments, so as to strike a supply-demand balance, will obviously take time. Relevant to mention that Chinese crude steel production continued to move north in August 2016 - a trend which has come to be in place every month since March 2016.

Long product

- Rebar prices in the USA showed little change in August 2016 over July 2016 given the sustenance in the prices for imported rebar and USA-origin scrap as per Metal Bulletin reports which reported transactions at around $520-540/t.
- European rebar market was mixed in August 2016 what with prices remaining flat in the Southern European market given subdued activity while the Northern region saw prices hold steady amidst modest demand. Metal Bulletin's price assessment for domestic rebar in Southern Europe was €380-385/t ($424-430) while that for Northern Europe was €435-455/t ($486-508).
- Tight supply owing to production restrictions ahead of the G20 summit in Hangzhou on September 4-5, 2016 and uptick in demand from the construction industry pushed up Chinese rebar prices in August 2016. Transactions for grade III rebar, as per Metal Bulletin reports, were quoted at around 2420-2470 yuan/t ($362-370) in Shanghai and at around 2470-2480 yuan/t ($370-371) in Beijing at end-August. All prices are ex-w and includes VAT.
- Russian August 2016 rebar prices fell on lack of demand. Metal Bulletin's price assessment for 12mm A500C rebar in the Russian domestic market was 27,500-27,550 roubles/t ($423-424) cpt Moscow, including VAT at end-August.

Flat products

- US flat steel prices slipped in August 2016 compared to last month mainly on weak demand with HRC transactions as per Metal Bulletin reports quoted at around $600-580/t.
- Supply shortage emanating from weak imports pushed domestic flat steel prices up in the European markets in August 2016 with transactions for HRC quoted at around €420-430/t ($435-457) in Northern Europe and at around €390-410/t ($469-580) in Southern Europe.
- Slowed down trading and low market activity ahead of the G20 summit kept China's spot HRC prices at end-August stable and northward bound over last month. HRC transactions as per Metal Bulletin reports were quoted at around 2820-2830 yuan/t ($422-424) in Shanghai and at around 2850-2860 yuan/t ($427-428) in Tianjin area. All prices are ex-w and includes VAT.
- August 2016 Russian flat steel prices fell over last month's owing to deals done at prices lower than the initial offers as per Metal Bulletin reports. Ttransactions for 4mm HR sheet in

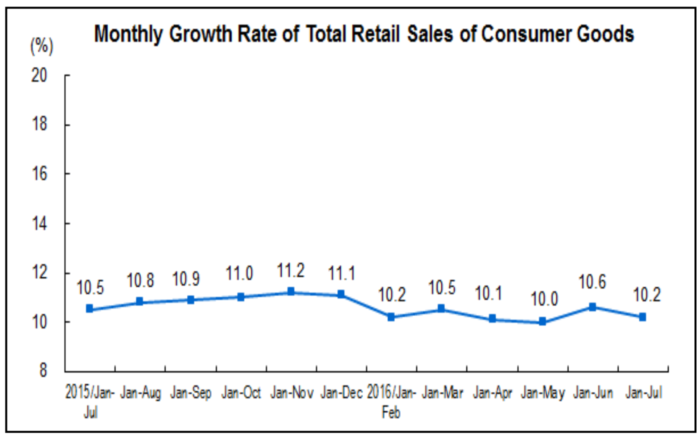
Russia was 35,300-35,350 roubles/t ($544-545) cpt Moscow, including VAT at closing days of the month.

[Source Credit: Metal Bulletin]

SPECIAL FOCUS

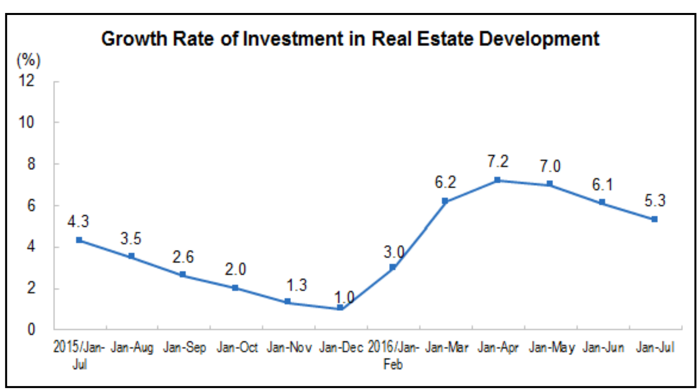
Chinese economy snapshot: Even though its growth trends remained stable, yet recent reports released by the National Bureau of Statistics (NBS) indicate that the Chinese economy slipped in major performance parameters in July 2016, with growth rates for the January-July 2016 period declining for most when compared to that attained for the first six months of the year. Following is a snapshot of the performance of some key macroeconomic parameters of the Chinese economy during the January-July 2016 period based on reports released by the NBS.

Total Retail Sales of Consumer Goods



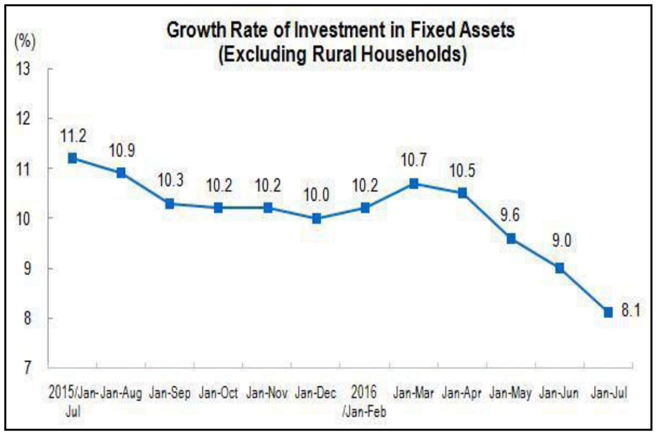
During January-July 2016, the total retail sales of consumer goods in China reached 2,682.7 billion yuan, up by 10.2% yoy. In terms of different areas, the retail sales of consumer goods in urban areas was up by 10.1% yoy while that in rural areas was up by 10.7% yoy. In terms of different consumption patterns, it was catering services that took the lead, growing by 11.2% yoy during the first seven months of 2016. However, as the graph shows, the 10.2% yoy growth rate of January-July 2016 was 0.4 percentrage points lower when compared to the January-June 2016 growth rate. Further, the graph also indicates a steadily declining cumulative growth rate picture since March 2016 with the exception of a spurt in June 2016.

National Real Estate Development and Sales



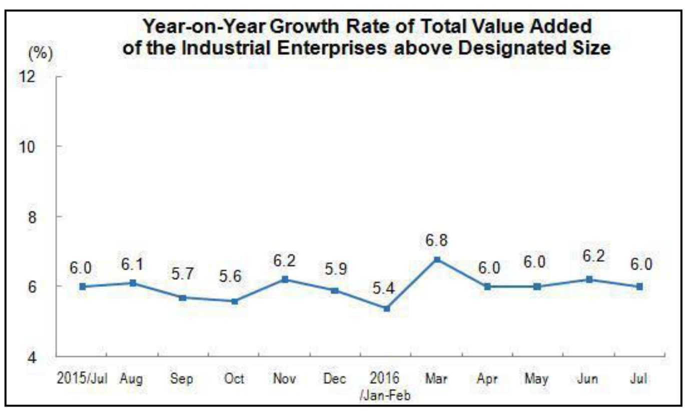
The total investment in real estate development in the first seven months of 2016 was 5,536.1 billion yuan, up by 5.3% yoy but the growth rate slipped by 0.8 percentage points when compared to that in the first six months. Out of this, investment in residential buildings was 3,698.1 billion yuan, up by 4.5% but again lower (1.1 percentage points) when compared to that in the first six months. Further, the floor space under construction was up by 4.8% yoy in January-July 2016 but slipped by 0.2 percentage points when compared to that in the first six months of 2016. Likewise, the sales of commercial buildings shot up by 40% yoy but the rate of growth slipped by 2.3 percentage points over the January-June 2016 period. Further, the graph also indicates a steadily declining cumulative growth rate picture since April 2016.

Investment in Fixed Assets



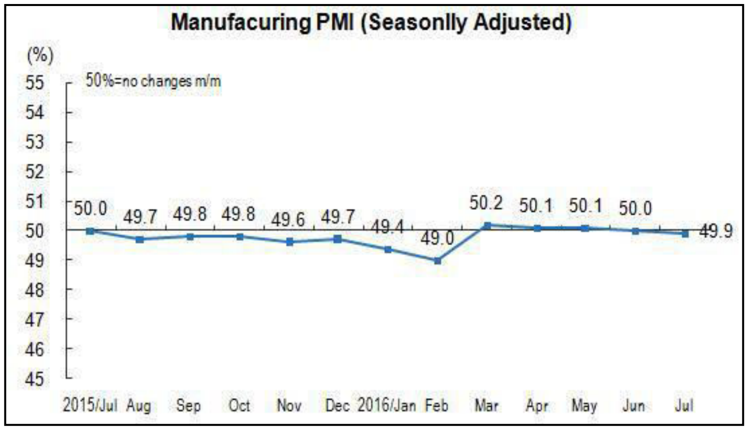
In the first seven months of 2016, the investment in fixed assets (excluding rural households) reached 31,169.4 billion yuan, up by 8.1% yoy but the growth rate was 0.9 percentage points lower than that in the first six months. In term of different industries, the investment in primary industry was 933.6 billion yuan, up by 20.6% yoy, a decrease of 0.5 percentage points over the first six months; that of secondary industry was 12,299.6 billion yuan, up by 3.5%, a decrease of 0.9 percentage points; that of tertiary industry was 17,936.2 billion yuan, up by 10.8%, a decrease of 0.9 percentage points over the first six months. Further, like before, the graph also indicates a steadily declining cumulative growth rate picture since March 2016.

Industrial Production



The total value added of the industrial enterprises above designated size was up by 6% yoy, both during July 2016 and January-July 2016, with the latter reporting a growth rate that was lower when compared to that attained during the first six months of 2016. In terms of the different sectors, the value added of mining and quarrying declined by 3.1%, that of manufacturing increased by 7% and that of production and distribution of electricity, heating power, gas and water was up by 7.4% yoy in July 2016. The yoy growth rates of these three sectors during January-July 2016 were respectively (-) 0.4%, 6.9% and 3.4%. Further, like before, the graph also indicates a steadily declining cumulative growth rate picture since March 2016 with the exception of a spurt in June 2016.

Manufacturing PMI

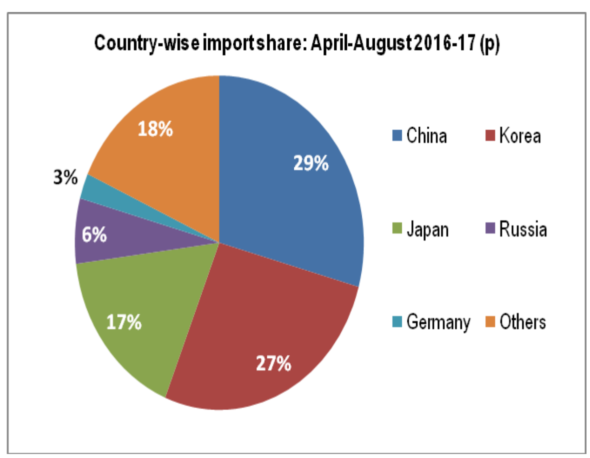


In July 2016, as per NBS data, China's manufacturing purchasing managers index (PMI) was 49.9, a decrease of 0.1 percentage point over last month and was more or less same when compared to the Markit Economics report, which has placed the PMI at the no-change mark of 50 in July 2016 compared to the 50.6 of June 2016. Among the five sub-indices composing PMI, the production index, new orders index, supplier delivery time index were higher than the threshold in July 2016 but all declined over June 2016. The employed person index and main raw materials inventory index were lower in July 2016 than the threshold but reported a rise over June 2016. Further, like before, the graph also indicates a steadily declining PMI picture since March 2016.

INDIAN STEEL MARKET ROUND-UP

Trends in finished steel imports

In a relief to the domestic steel industry, the Indian government extended the Minimum Import Price (MIP) condition on steel imports for another two months till 4th October 2016. At the same time, the number of products that will now come under MIP was trimmed to 66, against 173 items earlier. The steel industry had been demanding for the extension of MIP which completed its original six-month tenure on 5th August 2016. The 66 products include semi-finished products of iron or non-alloyed steel, flat-rolled products of different widths, bars and rods.



Meanwhile, provisional data released by JPC indicates that imports of total finished steel continued to decline during 2016-17 so far, dropping by 35 per cent during April-August 2016-17 to 2.983 million tonnes (mt) as compared to same period of last year. Moreover, imports in August 2016 (0.59 mt) were down by 39 per cent over August 2015 but saw a growth of 5.2 per cent over July 2016. Further, during April-August 2016-17, imports accounted for only 9 per cent of total domestic consumption of steel, much lower compared to the 14 per cent recorded for the same period of last year. The country-wise import picture indicates that the Chinese share in total finished steel slipped to 29 per cent but the country remained the largest import market for India. Also, China, Korea and Japan continued to be the top three markets, accounting for 73 per cent of the country's imports of total finished steel during the current fiscal so far.

Indian Steel Industry Performance: April-August 2016-17

The following is a report on the performance of Indian steel industry in terms of total finished steel during April-August 2016-17 based on provisional data released by JPC. All growth comparisons are with regard to same period of last year.

Total Finished Steel (alloy + non-alloy)	Performance Highlights		
	April-August 2016-17* (mt)	April-August 2015-16* (mt)	%yoy change
Production for sale	40.804	37.547	8.7
Import	2.983	4.599	-35.1
Export	2.375	1.923	23.5
Consumption	33.830	33.301	1.6
Source: JPC ;* provisional			

Production for sale

- During April-August 2016-17, production for sale stood at 40.804 mt, a growth of 8.7 per cent compared to same period of last year, in which contribution of the non-alloy steel segment stood at 36.717 mt (up by 8.5 per cent), while the rest was the contribution of the alloy steel segment (including stainless steel), where production for sale was up by 10.7 per cent.
- Analyzing by broad divisions, in the total production for sale of finished non-alloy steel, contribution of the non-flat segment stood at 17.902 mt (up by 5.7 per cent) while that of the flat segment stood at 18.815 mt (up by 11.2 per cent).
- Analyzing by segments, one finds that in the non-flat, non-alloy segment, production for sale of bars & rods, structurals and railway materials stood respectively at 14.25 mt (up by 6.4 per cent), 3.25 mt (up by 0.9 per cent) and 0.41 mt (up by 24 per cent) as compared to same period of last year.
- On the other hand, for the flat segment, with the exception of HR sheets (down by 24 per cent) and GP/GC Sheets (down by 1 per cent), production for sale was up for all other items like Plates (1.75 mt, up by 2.2 per cent), HRC (9.19 mt, up by 17 per cent) and CRC (3.27 mt, up by 31 per cent).

Export

- During April-August 2016-17, export of total finished steel was 2.375 mt, up by 23.5 per cent compared to same period of last year.
- Contribution of the non-alloy steel segment stood at 2.172 mt (up by 28 per cent) while the rest was that of alloy steel (including stainless steel) segment, where exports were down by 8 per cent over last year.

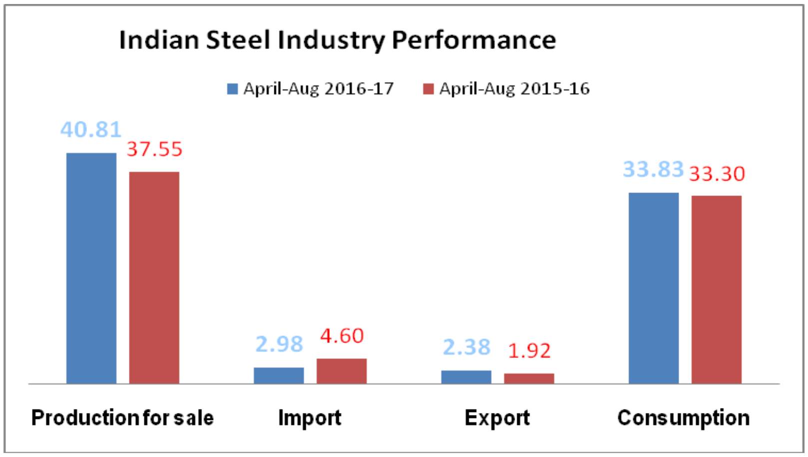
- In the total export of finished non-alloy steel, export of non-flat was at 0.264 mt (up by 47 per cent) and that of flat steel was at 1.91 mt (up by 25 per cent).
- In the non-alloy, non-flat segment, in volume terms, major contributor to export was bars & rods (0.23 mt, up by 56 per cent) while growth in exports in the non-alloy, flat segment was led by GP/GC sheets (0.69 mt, up by 6 per cent).

Import

- Import of total finished steel during April-August 2016-17 was at 2.983 mt, down by 35 per cent compared to same period of last year.
- However, it remained above exports, with the result that India remained a net importer of total finished steel during April-August 2016-17.
- In total finished steel import, contribution of the non-alloy steel segment was 2.231 mt (37 per cent decline) while the rest was the contribution of alloy steel (including stainless steel) segment, which was down by 27 per cent over same period of last year.
- In the import of total finished non-alloy steel, non-flat imports were at 0.197 mt (down by 34 per cent) and flat imports were at 2.034 mt (down by 38 per cent).
- In the non-alloy, non-flat segment, major contributor to import was bars & rods (0.16 mt, down by 41 per cent) while for the flat segment, import was led by HRC (0.81 mt; down by 47 per cent).

Consumption

- During April-August 2016-17, real consumption (or simply consumption) of total finished steel stood at 33.830 mt, a growth of 1.6 per cent compared to same period of last year.
- For non-alloy steel, contribution of the non-flat segment stood at 17.41 mt, up by 4.1 per cent over same period of last year and that of the flat segment (after accounting for double counting) stood at 13.16 mt, down by 0.3 per cent over same period of last year, taking total non-alloy consumption (after double counting) to 30.57 mt, up by 2.2 per cent. The remainder was the contribution of the alloy/stainless segment, which reported a decline of 3.4 per cent during this period.
- In the non-alloy, non-flat segment, the major contributor to consumption was bars & rods (13.8 mt; up by 4.5 per cent) whereas for the flat segment, consumption was led by HRC (9.28 mt, up by 2.1 per cent).



JPC Market Prices (Retail)

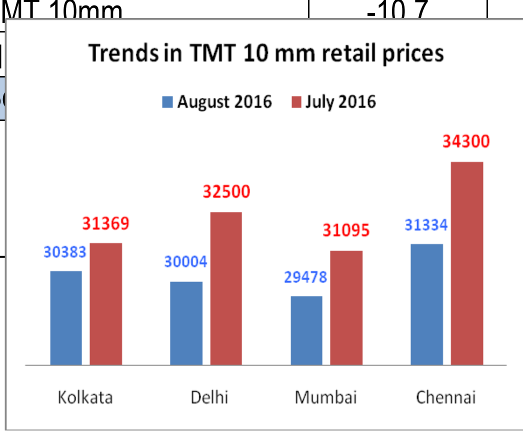
Delhi market prices: Compared to August 2015, average (retail) market prices in Delhi market in August 2016 declined for both long products (represented by TMT 10 mm) and was up marginally for flat products (represented by HRC 2 mm), largely in response to domestic demand-supply conditions. The trend was similar when compared to July 2016 for long products while flat products barely saw any movement. The situation in August 2016 with regard to August 2015 is shown in the table below for TMT 10 mm and HRC 2.0 mm.

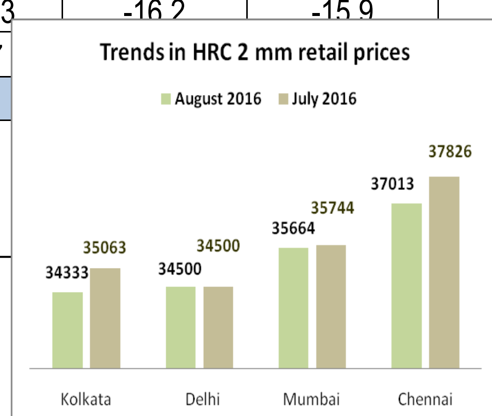
Trends in JPC market price (retail) in Delhi market in August 2016		
Item	**Delhi market prices (Rs/t)**	**% change over August 2015**
TMT, 10 mm	30,004	-17
HRC, 2.0 mm	34,500	0.7
Source: JPC		

All markets: Compared to August 2015, average (retail) market prices in all four metro cities (Kolkata, Delhi, Mumbai and Chennai) in August 2016 declined for long products (represented by TMT 10 mm) while for flat products (represented by HRC 2 mm), prices declined in Kolkata and Chennai markets but saw marginal rises in the markets of Delhi and Mumbai, all, largely in response to domestic demand-supply conditions. The trend was similar when compared to July 2016 for long products but flat product prices saw a decline in all the markets except Delhi. The situation in August 2016 with regard to August 2015 is shown in the table below for TMT 10 mm and HRC 2.0 mm for all the four markets.

Trends in JPC (retail) market price: %change in August 2016 over August 2015				
Item	**Kolkata**	**Delhi**	**Mumbai**	**Chennai**
TMT 10mm	-10.7	-17.3	-16.2	-15.9
H	[illegible]	0.7	[illegible]	[illegible]
S				

TMT price





s were highest in the Chennai market (Rs 31,334/t) and lowest in the Mumbai market (Rs 29,478/t) while HRC prices were highest in the Chennai market (Rs 37,013/t) and lowest in the Kolkata market (Rs 34,333 /t) during August 2016.

INDIAN ECONOMY – HIGHLIGHTS OF PERFORMANCE

GDP: The Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation has released the provisional estimates of national income for the first quarter (Q1) of the current financial year 2016-17, both at constant (2011-12) and current prices. As per their report, GDP at constant (2011-12) prices in Q1 of 2016-17 is estimated at Rs 29.17 lakh crore, as against Rs 27.24 lakh crore in Q1 of 2015-16, showing a growth rate of 7.1 per cent. Quarterly GVA at Basic Price at constant (2011-2012) prices for Q1 of 2016-17 is estimated at Rs 27.38 lakh crore, as against Rs 25.51 lakh crore in Q1 of 2015-16, showing a growth rate of 7.3 per cent over the corresponding quarter of previous year. The economic activities which registered growth of over 7 per cent in Q1 of 2016-17 over Q1 of 2015-16 are ‘manufacturing’ (9.1 per cent), ‘electricity, gas, water supply & other utility services' (9.4 per cent), ‘trade, hotels, transport & communication and services related to broadcasting' (8.1 per cent)’, 'financial, insurance, real estate and professional services' (9.4 per cent) and ‘public administration, defence and other services' (12.3 per cent). The growth rates in the ‘agriculture, forestry and fishing’, ‘mining and quarrying’, and ‘construction’ are estimated to be 1.8 per cent, (-) 0.4 per cent, and 1.5 per cent respectively during this period.

Industrial Production: Provisional CSO data show that the Index of Industrial Production (IIP) was down by 2.4 per cent in July 2016 and also down - by 0.2 per cent in April-July 2016-17, depressed by declining growth in sectors like Manufacturing, Capital Goods among others.

Inflation: The annual rate of inflation, based on monthly WPI, stood at 3.74 per cent (provisional) for the month of August 2016 (over August 2015) as compared to 3.55% (provisional) for the previous month. Build up inflation rate in the financial year so far was 4.45 per cent compared to a build up rate of 0.23 per cent in the corresponding period of the previous year. The all India CPI inflation rate (combined) for August 2016 stood at 5.05 per cent as compared to 6.07 per cent of previous month.

Infrastructure Growth: The yoy growth rate of the eight core infrastructure industries was up by 3.2 per cent in July 2016 and by 4.9 per cent in April-July 2016-17, led by the growth rates in all sectors except crude oil and natural gas.

Trade: Provisional figures from DGCI&S show that during April-August 2016 in dollar terms, overall exports were down by 2.98 per cent and imports were also down (by 15.89 per cent), both on yoy basis. During the same period, oil imports were valued at US$32410.81 million, which was 22.08 per cent lower yoy while non-oil imports were valued at US$110778.68 million which was 13.89 per cent lower yoy. The trade deficit for April-August 2016-17 was estimated at US$34669.55 million which was 40.61 per cent lower than the deficit of US$58380.42 million during April-August 2015-16.

Policy:

- The Cabinet has approved measures to fast-track stalled construction projects including circulation of a new draft model for turnkey projects and release of 75 per cent of funds earmarked for infrastructure companies for completing the existing projects.
- The Union Cabinet has approved the 2nd installment FDI of reforms, whereby 100 per cent FDI with government approval is permitted for trading, including through e-commerce, in respect of food products manufactured and/or produced in India.
- Foreign investors bringing in at least Rs 10 crore capital will be eligible for residency status, easier visa regime and employment for family members among other benefits under a new policy approved by the Cabinet to attract more overseas funds. The scheme is expected to encourage foreign investment in India and facilitate the Make in India programme.
- The Government has approved 16 highway projects in 11 states to be executed at a cost of Rs 7,456.88 crore for 622 km and has planned 50 new airports in three years to boost connectivity and of these, at least 10 will become operational over the next one year.
- Finance Ministry has come out with revised guidelines for public funded projects under which schemes should be designed keeping in view economies of scale and the need to share implementation machinery.
- The Cabinet Committee on Economic Affairs has approved Rs 24,374 crore of rail projects over ,937.38 km of tracks across 9 states.
- The Lok Sabha has passed a Bill, which provides for expeditious recovery of bad loans by banks. The Bill, passed by voice vote, also proposes to move towards online debt recovery tribunals (DRTs).
- The government has extended the MIP on 66 steel products for a period of 2 months as against 173 items earlier.
- India has slapped anti-dumping duty ranging between $474-557/t on import of HR steel products from China, Japan, South Korea, Russia, Brazil and Indonesia for six months. It has also imposed provisional anti-dumping duty on CR flat products of steel from China, South Korea, Japan and Ukraine, for six months.